Message Text

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INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 SSO-00 INRE-00 /036 W

-----107667 211554Z/53

O 211547Z FEB 78 FM AMEMBASSY LONDON TO SECSTATE WASHDC IMMEDIATE 3348

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E.O. 11652: N/A

TAGS: CIVAIR: POSSIBLE USE OF UNAPPROVED FARES

- 1. U.K. DEPARTMENT OF TRADE (IN PERSON IAN BROWN) INFORMED EMBASSY FEBRUARY 21 THAT IT "WOULD TAKE VERY SERIOUS VIEW" IF U.S. AIRLINES SHOULD TRANSPORT PASSENGERS TO OR FROM U.S. GATEWAYS OTHER THAN NEW YORK ON BUDGET OR STANDBY FARES. THIS WOULD BE IN VIOLATION OF THEIR PERMITS AND U.K. WOULD THEN HAVE RIGHT TO REMOVE THOSE PERMITS. BROWN SAID U.K. WOULD TRY TO AVOID SUCH ACTION, BUT IT DID NOT HAVE MANY ALTERNATIVES AND HE COULD SEE "ANOTHER OF THOSE DREADFUL CONFRONTATION SITUATIONS" APPROACHING.
- 2. UK DOT'S CONCERN IS FOCUSSED PRIMARILY ON TWA, WHOSE PROPOSED NEW BUDGET AND STANDBY FARES WILL REPORTEDLY BECOME EFFECTIVE UNDER U.S. LAW IF CAB DOES NOT ACT BY FEBRUARY 24. CALLS TO TWA'S LOCAL OFFICES, ACCORDING TO BROWN, HAVE ELICITED THE INFORMATION THAT TWA INTENDS START SELLING BOTH STANDBY AND BUDGET FARES ON FEBRUARY 24, DESPITE LACK OF UK APPROVAL. BROWN CONCEDED THAT CARRIAGE, AND NOT SALES, ARE THE PERTINENT ACT, BUT STANDBY FARES ARE PRESUMABLY FOR IMMEDIATE CARRIAGE. BROWN ALSO NOTED THAT U.K. LIMITED OFFICIAL USE

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WOULD OBJECT AS VIGOROUSLY TO CARRIAGE EX-U.S. AS CARRIAGE EX-U.K.

3. BROWN EXPLAINED THAT IN U.K. VIEW, FARES AT ISSUE SHOULD REMAIN UNUSED UNTIL AFTER U.S.-U.K. DISCUSSIONS BEGINNING MARCH 6, WHEN THE MATTER WOULD BE "ARGUED OUT". HE ANTICIPATED THAT 90 PER CENT OF THE U.S.

AIRLINES' FILINGS COULD ULTIMATELY BE APPROVED BY THE U.K., BUT EVEN IF THERE WERE NO AGREEMENT, LAST YEAR'S FARES, WHICH WERE, HE CLAIMED, THE BASIS FOR MOST OF THIS YEAR'S FILINGS, WOULD BE IN EFFECT.

- 4. CIVAIR ATTACHE EXPRESSED APPRECIATION FOR HAVING MATTER BROUGHT TO HIS ATTENTION.
- 5. EMBASSY IS ATTEMPTING CHECK WITH LOCAL TWA REPS, SO FAR UNSUCCESSFULLY, BUT IN ANY CASE THIS IS PRESUMABLY MATTER BEING HANDLED BY HEADQUARTERS IN U.S.
- 6. FYI: CAA HAS WRITTEN ALL FOUR U.S. SCHEDULED PASSENGER AIRLINES SERVING LONDON ON THIS MATTER. LETTER TO BRANIFF DATED FEBRUARY L5, WHICH IS PRESUMABLY LIKE THE OTHERS, CONTAINS WARNING: "YOU SHOULD NOT SELL (BUDGET AND STANDBY) FARES ON NEW ROUTES, AT EITHER END, BEFORE THEY HAVE RECEIVED THE NECESSARY APPROVAL OF BOTH GOVERNMENTS." END FYI
- 7. ACTION REQUESTED: WOULD APPRECIATE ANY BACKGROUND DEPARTMENT CAN PROVIDE.

STREATOR

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